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S E C R E T WELLINGTON 000176

SIPDIS

STATE FOR NP, ISN, EUR, EAP/ANP
TREASURY FOR OFAC
NSC FOR STEPHENS

E.O. 12958: DECL: UPON KOREAN REUNIFICATION
TAGS: [KNNP](#) [MNUC](#) [PARM](#) [PREL](#) [EWWT](#) [PHSA](#) [KNAR](#) [NZ](#)
SUBJECT: NEW ZEALAND REPORTS ON DPRK FLAG OF CONVENIENCE
ISSUE

REF: A. 05 WELLINGTON 900

[1](#)B. STATE 204250

(U) Classified by Political-Economic Counselor Katherine B. Hadda. Reasons: 1.4 (b) and (d).

[1](#)1. (S/REL NZ) A representative of Maritime Mutual Insurance Association NZ (MMIA) has told a New Zealand official that the company no longer insures North Korean vessels. The representative believes that the North Korean ships that had been insured by MMIA are now being insured by the South of England Protection and Indemnity Association (Bermuda) Limited.

[1](#)2. (S/REL NZ) Paul Rankin, MMIA's Guernsey-based director, on March 2 told Gavin Quigan of the New Zealand Ministry of Economic Development's Insurance and Superannuation Unit that the "insurance tail" -- provisions that apply for a specified time after the insurance claims policy has been terminated -- of existing insurance contracts with North Korean ships will end March 31, 2006. When asked if he knew who now insures those ships, Rankin said he understood that the South of England Protection and Indemnity Association (Bermuda) was now the protection and indemnity insurer.

[1](#)3. (S/REL NZ) Quigan said that Rankin apparently had been swayed by a claims dispute following what MMIA considered to be the intentional grounding of a North Korean vessel, in addition to damage to MMIA's reputation ensuing from negative publicity within the maritime insurance industry over the company's connection with North Korea. This information was provided by Bruce McCallum of the Ministry of Foreign Affairs and Trade's North America Division, reporting a conversation he had with Quigan.

[1](#)4. (S/REL NZ) The New Zealand government does not consider MMIA to be an insurance company. The government says the company does not meet New Zealand's legal requirements for issuing insurance, although it is incorporated in New Zealand (ref A).
McCormick